

WRIGHT/GARFF RESOURCES, L.L.C.

825 North 300 West #C160
Salt Lake City, Utah 84103
(801) 983-8000

March 2, 2009

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
P O Box 145801
Salt Lake City, Utah 84114-5801

Hand delivered and U S Mail

Dear Paul:

I received the copy of your letter of February 17, 2009 to Lon Thomas, Star Stone Quarries (Peoa Blonde Quarry, M0430012, Lot 38, and am extremely disturbed by its contents. As you know, we have been fighting for a very long time with Mr. Thomas regarding his activities there. The recent ruling of the Board of Oil Gas and Mining (hereafter BOGM) made it perfectly clear that the "industrial processing activities" engaged in by Thomas were not within the jurisdiction of the DOGM, i.e., they did not require a permit from the Department. Why Thomas' existing permit was not then immediately cancelled, as pertaining to all but 3.5 acres under Bureau of Land Management (BLM) lease, is a mystery and frustration to Wright/Garff Resources, LLC. The pertinent facts are as follows:

1. Wright/Garff Resources, LLC (hereafter W/G) owns the entire subsurface of Lot 38 (real property) including the minerals therein and the right of ingress and egress for purposes of mining thereon with the exception of approximately 3.5 acres of subsurface owned by BLM.
2. Lon Thomas' purchase of Lot 38 was limited to surface rights only. The court ruled that:

"The 'surface rights' on Lot 38 include the surface soil and other materials lying on the immediate natural surface of the land, vegetation growing on the surface and the right to construct structures on the surface and to use the surface for surface uses, such as farming, ranching, residential, commercial, industrial and recreational purposes, together with the right to penetrate the surface incidentally to the exercise of surface rights (e.g., for foundations, footings, basements, water lines or sewer lines)".

Therefore that is the law regarding Lot 38 and OGM is required to abide thereby.

RECEIVED

MAR 02 2009

DIV. OF OIL, GAS & MINING 0002

3. The only other right obtained by Lon Thomas and his various companies (hereafter Thomas) to penetrate the surface was via lease from W/G, the latest of which terminated on October 31, 2005, was not renewed and will not be renewed.
4. Since that time Thomas has claimed that the bringing of rock onto the permit area from other, unrelated sites and stacking, splitting and storing the same on Lot 38 is a mining function. The Board ruled that that "is an industrial processing activity which, on its own, would not require a permit from the Division". Exhibit A, footnote 2.
5. Thomas' other claim to a right to maintain a mining permit is its mining lease from the BLM on approximately 3.5 acres of Lot 38 of which the BLM owns the subsurface (just as W/G owns the subsurface on the remaining approximately 36.5 acres).
6. Thomas' Conditional Use Permit on Lot 38 from Summit County was cancelled in February, 2008.
7. Thomas' right of ingress and egress on the existing road to Lot 38 was cancelled by Summit County in October, 2008 and Thomas was told that any trucks using that road thereafter would be impounded and the driver ticketed.
8. At the Third District Court hearings in the current matter of W/G v. Thomas, et al., W/G agreed to be responsible for all reclamation of Lot 38. Once W/G's Large Mining Application is submitted and approved, the additional bonding required by OGM (beyond the present five acre bond) will be completed.
9. Concerning the soil stockpiles referenced in your letter, we do not believe there are any. Thomas now has no right to penetrate the soil for reclamation or for any other purpose without written permission of W/G except on the 3.5 acre BLM portion of Lot 38.

Since Thomas no longer has any right to mine on 36.5 acres of Lot 38, it is completely without merit to be considering Thomas' "Notice of Intention to Commence Large Mining Operations for the Peoa Blonde Mine". Since the Department has failed so far to abide by the BOGM ruling, that error should be corrected immediately by canceled Thomas' permit and allowing him to apply for a small mining permit (less than 5 acres).

This nearly 3 and 1/2 year delay in obtaining a permit has cost W/G millions of dollars in lost sales and property damage due to Department failure to properly interpret the rights and powers of the Department to cancel a permit when conditions warrant. We do not want this to go any further. Your immediate help in resolving this issue is appreciated.

Kindest regards,
Wright/Garff Resources, LLC


Edward B. Rogers, Manager

cc: John R. Baza, Division Director
Lon Thomas, Star Stone, et al.